Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Scheduled Report - public distribution

Date: January 21, 2000

GAIN Report #IT9047

Italy

Oilseeds and Products Update

1999

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Report Highlights: Reversing a trend of continued expansion, the area planted in soybeans declined sharply in 1999 as a result of decreased EU aid-a consequence of both depressed global prices and excessive production area. However, soy area is likely to increase in 2000, despite the cut in support mandated under Agenda 2000, as soy will likely become more remunerative in relation to competing cereal crops, particularly corn.

Includes PSD changes: Yes
Includes Trade Matrix: No
Annual

Preliminary (still unofficial) indications, based on growers' applications to AIMA (the State Market Intervention agency) for area-based compensatory payments, show for this year a dramatic decline of oilseed planted area in Italy. As a matter of fact, total area had continued to expand in past years, reaching almost 800,000 hectares in 1998. This year, however, the much lower aids per hectare paid to the growers, as a consequence of both the world price trend and the excessive area at the EU level (exceeding the ceiling fixed by the Blair House Agreement), pushed many growers to shift partially to alternative crops (especially corn, in the case of soybeans). The breakdown of Italian oilseed area in 1999 was as follows (1,000 hectares):

	General Regime	Simplified Regime	NonFood	TOTAL
SOYBEANS	223	12	4	239
RAPESEED	69	3	1	73
SUNFLOWER	237	4	15	256
TOTAL	528	19	20	568

As can be seen, area planted under the general regime exceeded by about 8 percent the ceiling fixed for Italy under the Blair House Agreement (487,800 hectares, after deducting the compulsory 10 percent set aside). However, at the EU level, according to preliminary estimates, total area is anticipated to remain within the BHA ceiling, thus compensating for Italy's marginal excess. Therefore, no subsidy cut is expected to be implemented this year (also in view of the relatively weak trend in the international oilseed market).

Although the implementation of Agenda 2000, which lowers the aids per hectare of oilseeds to the level in force for grains, will probably cause a further area reduction in the medium-long term, the situation outlined above will probably favor an area expansion in 2000. Although cut by 13.2 percent, as a result of Agenda 2000, the oilseed aids per hectare in 2000 (which are not being penalized, as in the past two years, because of surplus area), will again be competitive when compared to other crops, in particular grains.

In terms of production, 1999 has been more favorable than 1998, although yields have remained below the historical average, particularly in the case of soybeans, because of excessive rains during the second part of the summer and the harvesting period. Rapeseed yields continue to be nominal, as many growers in the south plant rapeseed only because of EU aids, without bothering to cultivate or fertilize their fields, and sometimes even not harvesting the crop.

STATISTICAL TABLES

SOYBEANS

	Italy					
	Oilseed, Soybean				(1000 HA)(1000 MT)	
		1997				
Area Planted	338	338	410	382	0	239
Area Harvested	338	338	410	382	0	239
Beginning Stocks	160	160	160	240	190	220
Production	1243	1243	1400	1192	0	815
MY Imports	600	768	405	700	0	1000
MY Imp. from U.S.	200	227	100	210	0	350
MY Imp. from the EC	0	7	0	1	0	0
TOTAL SUPPLY	2003	2171	1965	2132	190	2035
MY Exports	70	49	100	4	0	0
MY Exp. to the EC	50	28	60	3	0	0
Crush Dom. Consumption	1650	1632	1575	1668	0	1665
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	123	250	100	240	0	210
TOTAL Dom. Consumption	1773	1882	1675	1908	0	1875
Ending Stocks	160	240	190	220	0	160
TOTAL DISTRIBUTION	2003	2171	1965	2132	0	2035
Calendar Year Imports	600	833	405	700	0	1000
Calendar Yr Imp. U.S.	200	279	100	210	0	350
Calendar Year Exports	70	8	100	2	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

RAPESEEDS

PSD Table						
Country:	Italy					
Commodity:	Rapeseed					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/97		10/98		10/99
Area Planted	89	102	50	100	0	73
Area Harvested	89	102	50	100	0	73
Beginning Stocks	0	0	0	0	0	0
Production	98	89	90	41	0	30
MY Imports	0	13	0	15	0	20
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	5	0	5	0	8
TOTAL SUPPLY	98	102	90	56	0	50
MY Exports	0	2	0	0	0	0
MY Exp. to the EC	0	2	0	0	0	0
Crush Dom. Consumption	98	100	90	56	0	50
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	98	100	90	56	0	50
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	98	102	90	56	0	50
Calendar Year Imports	0	13	0	15	0	20
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	2	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

SUNFLOWERSEEDS

PSD Table						
Country	Italy					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Planted	304	304	311	311	260	256
Area Harvested	304	304	311	311	260	256
Beginning Stocks	45	45	60	60	40	50
Production	509	509	408	408	460	515
MY Imports	184	184	250	261	220	170
MY Imp. from U.S.	4	4	0	15	0	10
MY Imp. from the EC	2	2	0	0	0	0
TOTAL SUPPLY	738	738	718	729	720	735
MY Exports	8	8	10	8	10	10
MY Exp. to the EC	7	7	8	6	8	8
Crush Dom. Consumption	663	663	661	664	663	668
Food Use Dom. Consump.	7	7	7	7	7	7
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	670	670	668	671	670	675
Ending Stocks	60	60	40	50	40	50
TOTAL DISTRIBUTION	738	738	718	729	720	735
Calendar Year Imports	231	231	250	250	220	170
Calendar Yr Imp. U.S.	4	4	0	15	0	10
Calendar Year Exports	9	9	10	10	10	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0